

LEGISLATURE OF NEBRASKA
NINETY-SEVENTH LEGISLATURE
SECOND SESSION
LEGISLATIVE BILL 123
FINAL READING

Introduced by Wickersham, 49; Connealy, 16

Read first time January 4, 2001

Committee: Revenue

A BILL

1 FOR AN ACT relating to revenue and taxation; to amend section
2 77-2704.15, Revised Statutes Supplement, 2000; to provide
3 a sales and use tax exemption for certain political
4 subdivisions; to provide an operative date; and to repeal
5 the original section.
6 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 77-2704.15, Revised Statutes
2 Supplement, 2000, is amended to read:

3 77-2704.15. (1) Sales and use taxes shall not be imposed
4 on the gross receipts from the sale, lease, or rental of and the
5 storage, use, or other consumption in this state of purchases by
6 the state, including public educational institutions recognized or
7 established under the provisions of Chapter 85, or by any county,
8 township, city, village, rural or suburban fire protection
9 district, city airport authority, county airport authority, joint
10 airport authority, drainage district organized under sections
11 31-401 to 31-450, natural resources district, elected county fair
12 board, or joint entity or agency formed to fulfill the purposes
13 described in the Integrated Solid Waste Management Act by any
14 combination of two or more counties, townships, cities, or villages
15 pursuant to the Interlocal Cooperation Act, the Integrated Solid
16 Waste Management Act, or the Joint Public Agency Act, except for
17 purchases for use in the business of furnishing gas, water,
18 electricity, or heat, or by any irrigation or reclamation district,
19 the irrigation division of any public power and irrigation
20 district, or public schools established under Chapter 79.

21 (2) The appointment of purchasing agents shall be
22 recognized for the purpose of altering the status of the
23 construction contractor as the ultimate consumer of property which
24 is physically annexed to the structure and which subsequently
25 belongs to the state or the governmental unit. The appointment of
26 purchasing agents shall be in writing and occur prior to having any
27 property annexed to real estate in the construction, improvement,
28 or repair. The contractor who has been appointed as a purchasing

1 agent may apply for a refund of or use as a credit against a future
2 use tax liability the tax paid on inventory items annexed to real
3 estate in the construction, improvement, or repair of a project for
4 the state or a governmental unit.

5 (3) Any governmental unit listed in subsection (1) of
6 this section, except the state, which enters into a contract of
7 construction, improvement, or repair upon property annexed to real
8 estate without first issuing a purchasing agent authorization to a
9 contractor or repairperson prior to property being annexed to real
10 estate in the project may apply to the Tax Commissioner for a
11 refund of any sales and use tax paid by the contractor or
12 repairperson on the property physically annexed to real estate in
13 the construction, improvement, or repair.

14 Sec. 2. This act becomes operative on October 1, 2002.

15 Sec. 3. Original section 77-2704.15, Revised Statutes
16 Supplement, 2000, is repealed.